

Karen Dean
IRS
March 12, 2007

Dear Karen,

I am responding to your letter to me regarding my advisor, Rick McMenimen. Rick has been a family advisor for over 12 years to me and my family. For the first several years he never charged me or my family for his services. As I understood it his companies philosophy was not to charge for services and that he made money based on products sold to us.

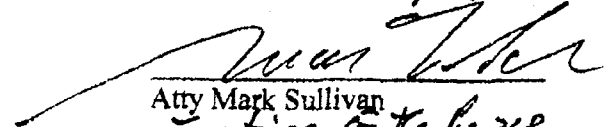
However, over the years he went beyond the call of service in helping me with a personal financial matter. From approximately 1997-2002 he never charged me for his time. We agreed that when I resolved the financial situation he would be compensated. That situation became very difficult in 2002-2004. It required Rick to travel, work with attorneys and a lot of paperwork. I compensated him for his time. I do not have the records from that period but I know I paid him for his time. I also gifted him some money in appreciation for everything he did for me and the family. Some of the checks paid to him were for services and at least one as a gift. Other than that time we have not paid him in anyway for the work he has done for us. We have never paid him in cash or in any other way. This even applies to recent years. The situation has been resolved. He has worked with my children and families on a regular basis and they have not paid him in any way.

Other than that, it is my understanding that Mr. McMenimen ~~works off~~ of the products he sells. He works with my entire family (I have 3 children) and has never charged them. I know of other clients he has and they are friends and they have never been charged. I do not think he would have taken the fee or the gifts from us but I insisted based on the time and need I had for expertise with our situation after my husband passed away.

I will do some research and call my accountant to try and get you an amount as soon as possible. I can give you a guess that the amount including gifts was under \$35,000. I will do what I can to substantiate that guess. I hope that this will answer you concerns. If I had known my strong insistence in him being paid was going to cause problems I would have made the entire amount a gift.


Susan G. Wagstaff

*Sworn to and Signed by Susan Wagstaff
before me 3/13/07*


Atty Mark Sullivan

*Justice of the Peace
Carmelita M. Sepulveda 5/2/08*

CC: Sullivan/B Lortie